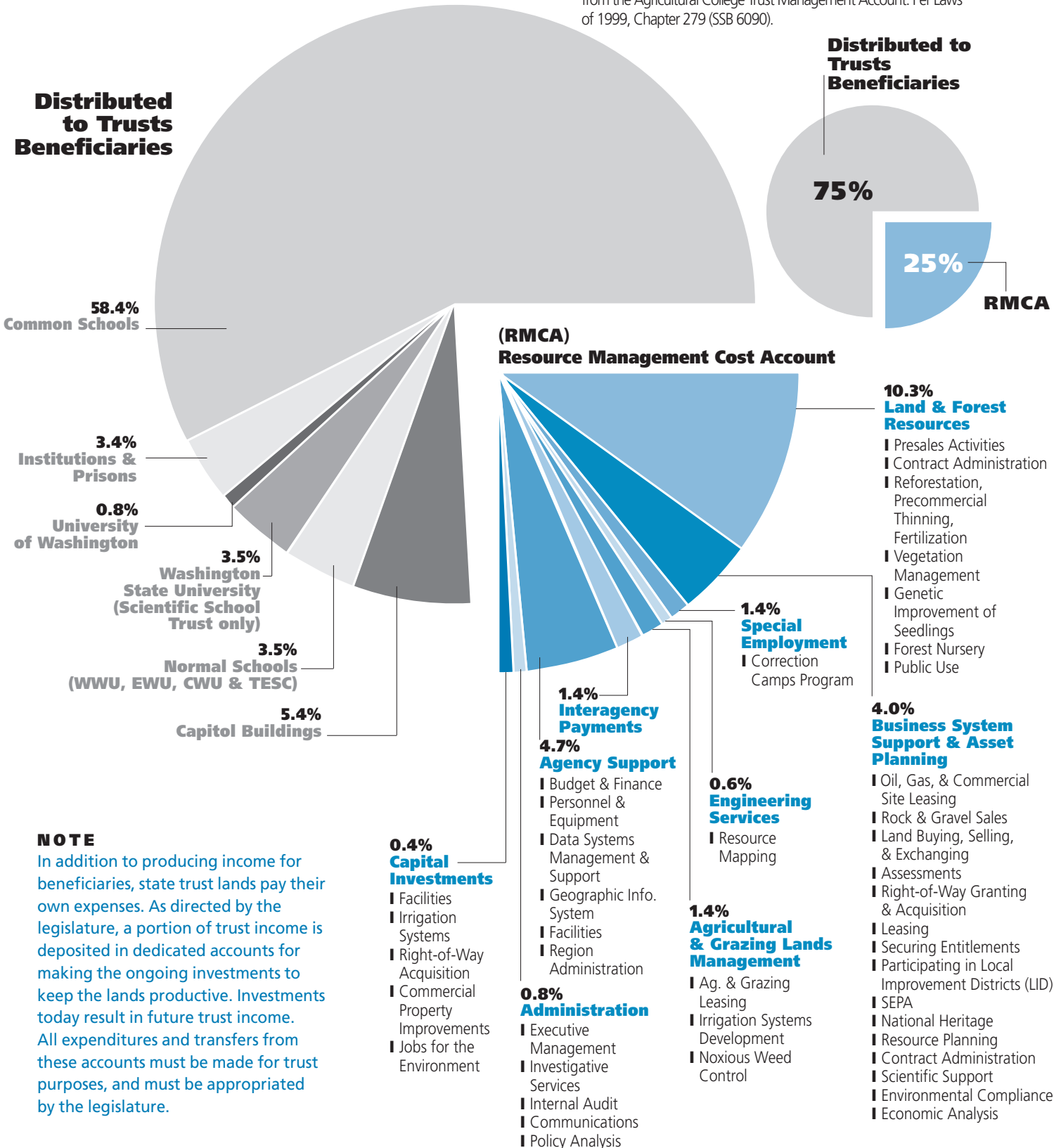


General* Revenue Distribution from Federally Granted Upland Trusts**

*Generated from DNR's fiscal year 2000 distributions, and based on statewide averages. Detailed breakdown contains examples only, not a complete listing. Does not include Land Bank revenues or expenditures.

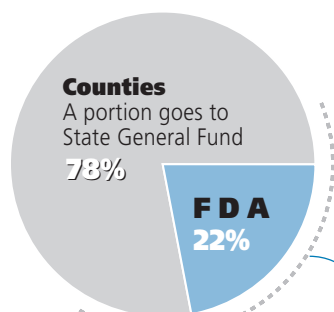
** Effective July 1, 1999 the distribution of revenue on Agricultural College trust lands will be 100 percent to the agricultural college permanent fund or WSU bond retirement account. No deduction from proceeds will be made to the Resource Management Account. The management of the agricultural college trust lands will be funded from the Agricultural College Trust Management Account. Per Laws of 1999, Chapter 279 (SSB 6090).



General* Revenue Distribution from State Forest Board Lands

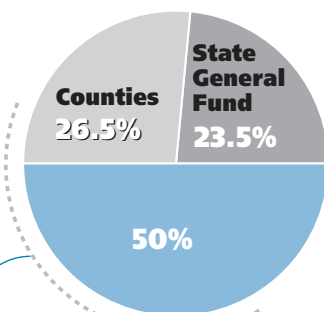
Forest Board Transfer**

545,000 acres



Forest Board Purchase

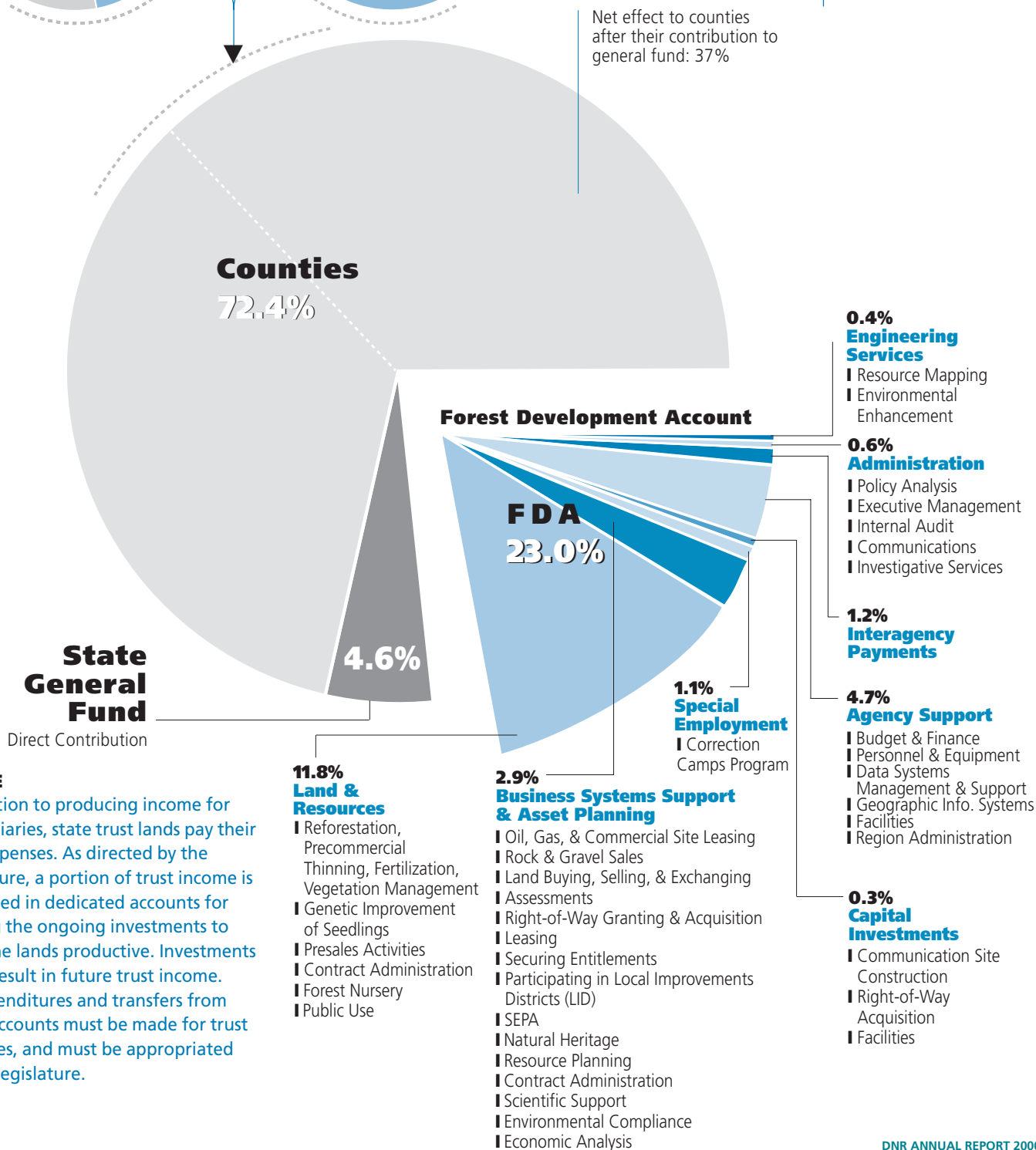
77,700 acres



* Generated from DNR's fiscal year 2000™ distributions, and based on statewide averages. Detailed breakdown contains examples only, not a complete listing.

** In February 1997, the Board of Natural Resources adopted resolution #97-919, changing the distribution of revenue from these lands effective July 1, 1997. This change will remain in effect until the fund balance in FDA reaches six months' operating expenses, at which time DNR is authorized to reinstate the original revenue distribution amounts.

Net effect to counties after their contribution to general fund: 37%



NOTE

In addition to producing income for beneficiaries, state trust lands pay their own expenses. As directed by the legislature, a portion of trust income is deposited in dedicated accounts for making the ongoing investments to keep the lands productive. Investments today result in future trust income. All expenditures and transfers from these accounts must be made for trust purposes, and must be appropriated by the legislature.

Total Department Revenues

Revenues	FY 2000	FY 1999
Sales		
Timber sale removals	\$218,850	\$246,373
Timber sale related activities ¹	781	3,835
Forest road assessments	11,553	7,642
Nursery seedling sales	2,565	2,185
Miscellaneous ¹	708	767
	<u>\$234,456</u>	<u>\$260,802</u>
Leases		
Agriculture	\$6,677	\$7,136
Aquatic	14,994	11,687
Commercial real estate	5,974	5,064
Mineral and hydrocarbon	2,446	2,576
Communication sites	2,429	2,255
Miscellaneous ¹	2,510	2,294
	<u>\$35,031</u>	<u>\$31,011</u>
Other Revenue		
Interest income	\$3,974	\$4,292
Fire assessments and cost reimbursement	9,129	9,617
Grants and contributions	5,494	2,988
Permits, fees, and related charges ²	2,884	2,296
Miscellaneous ³	330	296
	<u>\$21,811</u>	<u>\$19,488</u>
Total Revenue from Operations	<u>\$291,298</u>	<u>\$311,302</u>
Other Activity		
Trust land transfers ⁴	\$36,948	\$22,625
Land sales ^{4, 5}	19	56
	<u>\$36,967</u>	<u>\$22,681</u>
Total Revenue	<u>\$328,265</u>	<u>\$333,983</u>

Amounts are reported in thousands of dollars.

See accompanying notes.

Totals may not add due to rounding.

Total Department Expenditures

Expenditures¹	FY 2000	FY 1999
Operating		
Agricultural resources	\$1,842	\$1,913
Resource planning and asset management	9,188	9,099
Forest resources	30,367	32,642
Aquatic resources	4,782	9,868
Administration	3,053	2,920
Interagency payments	5,446	5,624
Agency support	18,449	15,428
Geological resources	2,268	1,826
Special employment services	4,620	4,507
Forest practices	7,560	6,951
Engineering services	10,269	8,528
Resource protection	20,855	25,145
	<u>\$118,700</u>	<u>\$124,450</u>
Capital		
Jobs for the Environment	\$1,366	\$3,353
Recreation	1,849	1,240
Aquatic resources projects	1,382	3,420
Real estate and property acquisition	38,593	30,390
Miscellaneous	912	3,701
	<u>\$44,102</u>	<u>\$42,104</u>
Total operating / capital expenditures	<u>\$162,802</u>	<u>\$166,554</u>
Other Activity		
Forest Development Account Transfers ¹³	<u>\$10,000</u>	<u>\$0</u>
Total Expenditures	<u>\$172,802</u>	<u>\$166,554</u>

Amounts are reported in thousands of dollars.

See accompanying notes.

Totals may not add due to rounding.

Department-Administered Funds

Revenue,
expenditures,
and fund
balance

Fund Title	Beginning Balance 7/1/99	Revenue	Expenditure	Transfers and Other Activity	Ending Balance 6/30/00
Trust Management					
Forest development (FDA)	\$36,628	\$25,023	(\$30,286)	\$0	\$31,365
Resource management (RMCA)	40,485	39,189	(36,474)	(5,582)	37,618
Agriculture college trust management*	0	(34)	(987)	2,632	1,611
	<u>\$77,113</u>	<u>\$64,177</u>	<u>(\$67,747)</u>	<u>(\$2,950)</u>	<u>\$70,593</u>
Other Administered Funds					
Access road revolving	\$2,176	\$11,597	(\$9,814)	0	\$3,959
Surveys and maps	1,234	913	(651)	0	1,496
Landowner contingency forest fire	6,984	829	(376)	0	7,437
Park land trust revolving	5,562	2,773	0	0	8,335
Aquatic lands dredged material	451	685	(199)	0	937
Aquatic lands enhancement ⁷	n/a	9,494	(2,418)	0	n/a
Conservation areas stewardship	1,208	(8)	(406)	0	794
School construction revolving	90	11	118	0	219
Surface mining reclamation	254	664	(576)	0	342
Real property replacement	9,791	12,868	(6,905)	0	15,754
Clarke-McNary	230	1,224	(1,221)	0	233
Forest fire protection assessments	6,008	8,276	(9,747)	0	4,537
State forest nursery	1,242	2,573	(2,258)	0	1,557
Off-road vehicle ⁶	n/a	(65)	(1,617)	0	n/a
	<u>\$35,230</u>	<u>\$51,833</u>	<u>(\$36,069)</u>	<u>\$0</u>	<u>\$45,600</u>
Total Administered Funds ¹¹	<u>\$112,343</u>	<u>\$116,010</u>	<u>(\$103,816)</u>	<u>(\$2,950)</u>	<u>\$116,193</u>

Amounts are reported in thousands of dollars.

See accompanying notes.

Totals may not add due to rounding.

Other Fiscal Activity

Revenue, expenditures, and net fiscal activity

Fund Title	Revenue	Expenditure	Net Fiscal Activity
Current Funds			
Common school construction	\$90,179	\$0	\$90,179
Community & technical college forest reserve	1	(200)	(199)
WSU bond retirement	476	0	476
UW bond retirement	288	0	288
CEP&RI	5,386	0	5,386
EWU capital project	18	0	18
CWU capital project	18	0	18
WWU capital project	18	0	18
TESC capital project	9	0	9
Capitol building construction	8,369	0	8,369
Forest board counties	78,776	0	78,776
	<u>\$183,538</u>	<u>(\$200)</u>	<u>\$183,338</u>
Permanent Funds			
Agricultural college (WSU)	\$2,871	\$0	\$2,871
Normal school (EWU, CWU, WWU, TESC)	5,397	0	5,397
Common school (K-12)	1,054	0	1,054
Scientific (WSU)	5,218	0	5,218
State university (UW)	844	0	844
	<u>\$15,384</u>	<u>(\$0)</u>	<u>\$15,384</u>
Other Funds			
General fund	\$10,348	(\$30,660)	(\$20,312)
Salmon recovery	(67)	(1,431)	(1,498)
State building construction	5	(31,089)	(31,084)
Metal mining	0	(1)	(1)
Air pollution control	334	(286)	48
Water quality	0	(1,366)	(1,366)
Disaster response	0	(1,334)	(1,334)
Salary/insurance increase revolving	2,678	(2,678)	0
Industrial insurance premium refund	55	0	55
AG salary increase revolving	40	0	40
Motor vehicle	1	0	1
Special retirement contribution increase	(60)	60	0
	<u>\$13,333</u>	<u>(\$68,785)</u>	<u>(\$55,452)</u>
Total Other Fiscal Activity	<u>\$212,255</u>	<u>(\$68,985)</u>	<u>\$143,270</u>
Total All Funds and Activity	<u>\$328,265</u>	<u>(\$172,802)</u>	

Amounts are reported in thousands of dollars.
See accompanying notes.
Totals may not add due to rounding.

Resource Management Cost Account (RMCA)

A portion (25 percent) of the income from state grant lands is deposited into this account to cover the expenses of land management only (for instance, reforestation). The legislature

appropriates money each biennium from this account to DNR. According to the agency's policy, at least three months' operating expenses are kept in this account.

Revenue, expenditures, and fund balance

Fund Balance (July 1, 1999)		\$40,484,677
RMCA Revenue		39,188,719
Less: Expenditures ¹		
Agricultural resources	\$1,834,512	
Business systems support and planning	5,144,311	
Land and resources	13,401,476	
Special employment services	1,778,622	
Administration	1,213,853	
Interagency payments	2,077,728	
Administration and agency support	7,172,722	
Aquatic resources	3,933,514	
Engineering services	781,446	
Salary/insurance/health revolving fund	(1,391,168)	
Total operating expenditures	\$35,947,016	
Total capital expenditures	526,854	
Total expenditures and other charges		36,473,870
Less transfer to Agricultural College Trust Management Account		2,632,000
Less transfer to Salmon Recovery Account		<u>2,950,000</u>
RMCA Fund Balance (June 30, 2000)		<u>\$37,617,526</u>

See accompanying notes.

Totals may not add due to rounding.

State Grant Lands

State Grant Lands are all the federally-granted parcels that were given to Washington at the time of statehood (1889). At the time of

acquisition each upland granted parcel was dedicated to a specific beneficiary (e.g., Common School Trust).

Total revenue and distribution

	Grand Total All Funds	Current Funds	Permanent Funds	Resource Management Cost Account
Sales				
Timber sales ¹²	\$108,568,830	\$65,825,627	\$11,600,569	\$31,142,634
Timber sales related activities ¹	481,606	92,796	305,279	83,531
Asset transfer/loan repayment ⁸	6,771,017	2,766,984	2,498,587	1,505,446
Trust land transfers ⁴	24,861,859	24,652,998	0	208,861
Land sales (includes land bank sales) ⁵	18,846	3,750	0	15,096
	<u>\$140,702,158</u>	<u>\$93,342,155</u>	<u>\$14,404,435</u>	<u>\$32,955,568</u>
Leases				
Agriculture				
Dryland	\$2,911,854	\$1,947,315	\$242,707	\$721,832
Irrigated	3,133,954	2,310,768	50,482	772,704
Grazing and other	603,521	432,975	22,042	148,504
Aquatic lands	14,994,198	8,726,810	0	6,267,388
Special use	400,066	280,540	24,362	95,164
Commercial real estate	5,972,988	4,453,609	20,550	1,498,829
Mineral and hydrocarbon	2,455,540	16,918	1,734,139	704,483
Rights-of-way	1,501,649	625,470	231,536	644,643
Communication sites	1,531,791	888,839	252,199	390,753
Special forest products	269,567	191,364	11,474	66,729
	<u>\$33,775,127</u>	<u>\$19,874,608</u>	<u>\$2,589,491</u>	<u>\$11,311,029</u>
Other Revenue ¹²				
Interest income	\$2,350,454	\$179,153	\$12,864	\$2,158,437
Non-trust revenue	(1,361,292)	(30,904)	0	(1,330,388)
Operating transfer ⁹	(6,771,017)	0	(749,236)	(6,021,781)
Permits, fees, and miscellaneous ^{2,3}	(132,221)	889,679	(873,313)	115,855
	<u>(\$5,649,634)</u>	<u>\$1,037,928</u>	<u>(\$1,609,685)</u>	<u>(\$5,077,877)</u>
Total Revenue	<u>\$168,827,651</u>	<u>\$114,254,691</u>	<u>\$15,384,241</u>	<u>\$39,188,719</u>

See accompanying notes.

Totals may not add due to rounding.

Resource Management Cost Account (RMCA) Upland Trusts

This portion of the RMCA supports the land management of upland grant land trusts, each of which supports a specific designated beneficiary.

Revenue, expenditures, and trust balance

Trust Balance (July 1, 1999)		\$32,507,478
RMCA Revenue		31,910,717
Less: Expenditures ¹		
Agricultural resources	\$1,843,512	
Business systems support and planning	5,144,311	
Land and resources	13,401,476	
Special employment services	1,778,622	
Administration	988,295	
Interagency payments	1,781,236	
Agency support	6,077,329	
Engineering services	781,446	
Salary/insurance/health revolving fund	(1,179,853)	
Total operating expenditures	\$30,607,374	
Total capital expenditures	526,854	
Total expenditures and other charges		31,134,228
Less transfer to Agricultural College Trust Management Account		<u>2,632,000</u>
Trust Balance (June 30, 2000)		<u>\$30,651,967</u>

See accompanying notes.

Totals may not add due to rounding.

Agricultural College Trust Management Account (ACTMA)

Effective July 1, 1999 the distribution of revenue on Agricultural College trust lands will be 100 percent to the agricultural college permanent fund or WSU bond retirement account. No deduction from proceeds will be made to the

Resource Management Account. The management of the Agricultural College trust lands will be funded from the Agricultural College Trust Management Account. Per Laws of 1999, Chapter 279 (SSB 6090).

Revenue,
expenditures,
and fund
balance

Fund Balance (July 1, 1999)		\$0
ACTMA Revenue		(34,334)
Less: Expenditures ¹		
Agricultural resources	\$2,369	
Business systems support and planning	224,145	
Land and resources	402,013	
Special employment services	15,132	
Administration	25,695	
Interagency payments	52,284	
Agency support	239,074	
Engineering services	30,453	
Salary/insurance/health revolving fund	(26,104)	
Total operating expenditures	\$965,060	
Total capital expenditures	21,800	
Total expenditures and other charges		986,860
Transfer from Resource Management Cost Account		<u>2,632,000</u>
ACTMA Fund Balance (June 30, 2000)		<u>\$1,610,806</u>

See accompanying notes.
Totals may not add due to rounding.

Agricultural School Trust

Beneficiaries:

Washington State University. Federal land was granted to the state "...For the use and support of agricultural colleges in said states..." [SOURCE: STATE ENABLING ACT, 25 U.S. STATUTES AT LARGE, C 180 P 676; SEC. 16, 1889]

Original acreage: 90,000 acres.

By 1920, 19,350 acres were sold. No acreage sold after 1920.

Original land use pattern:

Granted acreage was selected from the unallocated federal land base, according to the procedures at the time when the parcels were surveyed and approved. Original acreage was acquired in 13 counties.

Current acreage: 70,735 acres.

Current land use pattern:

Granted trust lands today include:

WESTERN WASHINGTON forest resources in

■ *The Toutle Block in Cowlitz County.*

■ *The P&E Ridge Block in Pacific County.*

■ *The Deer Creek/Lake Cavanaugh Block in Skagit County.*

EASTERN WASHINGTON forest resources in Stevens County and contiguous agricultural / grazing parcels in Douglas County.

Land characteristics:

513 total stream miles, 321 total road miles.

[SOURCE: GIS 8/00]

Land management leases:

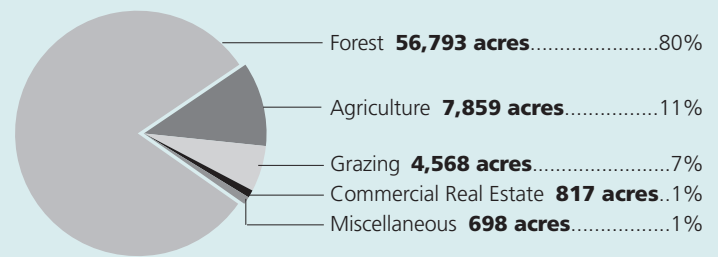
27 agricultural leases, 20 communication site leases, 38 grazing leases and permits.

[SOURCE: AGRICULTURAL/GRAZING APS 8/00]



Washington State University.

Agricultural School Trust Acres (Total acres: 70,735)

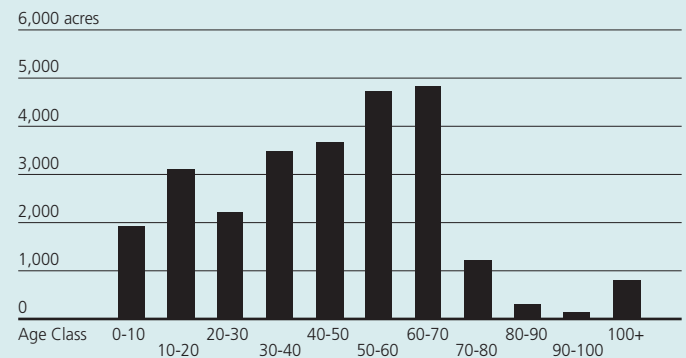


See OVERVIEW and Definitions, page 11

Source: GIS Land Use database, 8/00

Agricultural School Trust Forest Lands

West-side Timber Age Distribution



The chart illustrates total harvestable (on base) forest land acreage above or below a stated age, located west of the Cascade crest; for example, by summing the columns, approximately 5,050 acres are below age 20 and 2,400 acres are above age 70. East-side timber lands are not categorized according to age because forests are composed of mixed-age stands.

Source: GIS timber inventory information includes Land Use Land Cover (LULC) data and Forest Resource Inventory Survey (FRIS) data. As of this report, approximately 80 percent of the age-class data are in the FRIS database and 20 percent are in the LULC database. Source: FRIS 8/00.

See OVERVIEW and Definitions, page 11

NOTE: The information on this page is from DNR's Annual Report for fiscal year 2000 and Geographic Information System (GIS) of July 2000, except as noted. The annual report provides financial and acreage figures as of June 30, 2000. The GIS records land-based information. Changes in ownership due to transactions are entered into the financial accounting system immediately; completing the documentation and updating GIS takes two to six months. Therefore, due to timing differences, specific trust acreage numbers differ between the financial system (2000 Annual Report) and GIS. The Deloitte & Touche report, June 1997, includes sub-surface "mineral rights only" acreage in the total acreage while this report and GIS do not include those acres in the totals. The Agricultural Trust has 18,474 acres of sub-surface "mineral rights only" lands, where the state does not own the surface land. Asset Performance System (APS) records property management data.

Agricultural School Grant (WSU)

The beneficiary is the same as the Scientific School Grant. The income from these grant lands is used to support construction of

Washington State University's buildings. The income is divided between two accounts: permanent and bond retirement.

Revenue and distribution	Total Funds	WSU Bond Retirement	Agricultural College Permanent	Resource Management Cost Account
Sales				
Timber sales ¹²	\$2,541,954	\$0	\$ 2,541,954	\$0
Timber sales related activities ¹	302,038	0	302,038	0
Asset transfer/loan repayment	0	0	0	0
Land sales (includes land bank sales)	0	0	0	0
	<u>\$2,843,992</u>	<u>\$0</u>	<u>\$2,843,992</u>	<u>\$0</u>
Leases				
Agriculture				
Dryland	\$54,381	\$0	\$54,381	\$0
Irrigated	43,137	0	43,137	0
Grazing and other	9,497	0	9,497	0
Aquatic lands	0	0	0	0
Special use	2,246	0	2,246	0
Commercial real estate	0	0	0	0
Mineral and hydrocarbon	800	0	800	0
Rights-of-way	29,287	0	29,287	0
Communication sites	47,857	0	47,857	0
Special forest products	2,649	0	2,649	0
	<u>\$189,854</u>	<u>\$0</u>	<u>\$189,854</u>	<u>\$0</u>
Other Revenue				
Interest income	\$6,824	\$4,079	(\$184)	\$2,929
Non-trust revenue	(116)	0	0	(116)
Operating transfer ⁹	0	164,672	(164,672)	0
Permits, fees, and miscellaneous ^{2,3}	2,283	0	1,687	596
	<u>\$8,991</u>	<u>\$168,751</u>	<u>(\$163,169)</u>	<u>\$3,409</u>
Total Revenue	<u>\$3,042,837</u>	<u>\$168,751</u>	<u>\$2,870,677</u>	<u>\$3,409</u>

See accompanying notes.

Totals may not add due to rounding.

Common School Trust, including Indemnity and Escheat Lands

Beneficiaries:

Statewide kindergarten - 12th grade public schools. The State Enabling Act granted sections 16 and 36 of every township "...for the support of common schools..."

[Source: State Enabling Act, 25 U.S. Statutes at Large, c 180 p 676, SEC. 10, 1889].

Original acreage: 2,432,600 acres.

All sections 16 and 36 in each township, statewide, where not previously or subsequently reserved for other purposes such as railroad grants, federal parks, Indian reservations, and federal forests were granted to the trust.

By 1920, approximately 515,000 acres were sold, primarily agricultural lands on the east side. Between 1920 and 1950, approximately 35,000 acres were sold or disposed of through transfer to other uses such as park lands. Since 1950, approximately 124,000 acres have been disposed of through various actions, including sale and transfer to park sites and conservation areas; the trust is compensated for the lands.

Original land use pattern:

Approximately 70 percent of the original Common School Trust lands were sections 16 and 36 in each township across the state, creating a wide "checkerboard pattern" of lands. In the remaining areas, lands were reserved for other purposes, so state officials selected substitute lands from the federal government's unallocated land inventory. These selections, called "in lieu" lands, were subject to approval by the Secretary of the Interior. Complications and legal proceedings entangled this process for decades.

Current acreage: 1,749,895 acres.

Current land use pattern:

The granted trust lands today include:

WESTERN WASHINGTON forest resources in

- *The Siouxxon Block in Skamania and Clark counties.*
- *The Toutle Block in Cowlitz County.*
- *The Lower Chehalis Forest in Grays Harbor County.*
- *Tiger Mountain State Forest in King County.*
- *The Willapa Block in Pacific County.*

EASTERN WASHINGTON Common School lands are mostly the "checkerboard" sections 16 and 36 of most townships, dating from the original 1889 federally granted lands. These sections are primarily dryland crops, grazing lands, and irrigated row crops, orchards, and vineyards.

Land characteristics:

11,343 total stream miles, 6,827 total road miles.

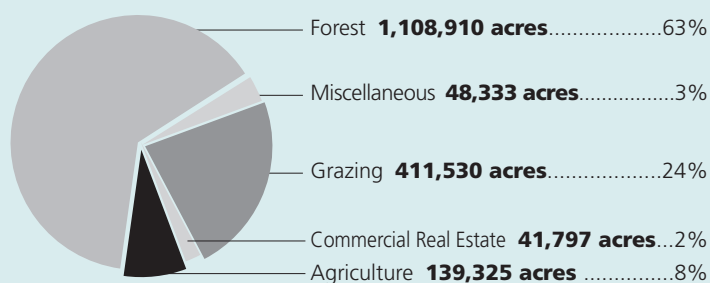
[Source: GIS 7/00]

Land management leases:

649 agricultural leases (includes dryland crops, irrigated crops, and irrigated orchards and vineyards), 45 commercial leases, 232 communication site leases, 50 gravel and rock contracts, 1,003 grazing leases and permits, 11 oil/gas leases.

[Source: Agricultural/Grazing APS 7/00]

Common School Trusts Acres (Total Acres: 1,749,895)

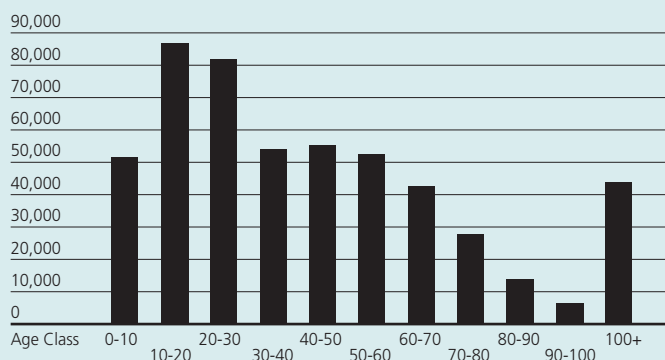


See OVERVIEW and Definitions, page 11

Source: GIS Land Use database, 8/00

Common School Trust Forest Lands

West-side Timber Age Distribution



The chart illustrates total harvestable (on base) forest land acreage above or below a stated age, located west of the Cascade crest; for example, by summing the columns, approximately 140,000 acres are below age 20 and 90,250 acres are above age 70. East-side timber lands are not categorized according to age because forests are composed of mixed-age stands.

Source: GIS timber inventory information includes Land Use Land Cover (LULC) data and Forest Resource Inventory Survey (FRIS) data. As of this report, approximately 80 percent of the age-class data are in the FRIS database and 20 percent are in the LULC database. Source: FRIS 7/00.

See OVERVIEW and Definitions, page 11

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NOTE: fiscal year 2000

- Forest acreage reflects a transfer of approximately 24,500 acres of the Loomis State Forest to Natural Resource Conservation Area status. The trust beneficiaries' funds were compensated, at market value, for the transferred acreage.
- The changes from fiscal year 1999 in timber age-class distribution include refinements and updates in the inventory data system.

Common School, Indemnity and Escheat Grants

The income from these grant lands and escheat lands (those with no known heirs) is used to support construction of state public kindergarten through 12th grade schools. Most money is

deposited in a Common School Construction Account. Some money is deposited in the Common School Permanent Account to generate perpetual interest.

Revenue and distribution	Total Funds	Common School Construction	Common School Permanent	Resource Management Cost Account
Sales				
Timber sales ¹²	\$73,727,813	\$53,721,927	\$0	\$20,005,886
Timber sales related activities ¹	112,511	84,384	0	28,127
Asset transfer/loan repayment ⁸	1,948,328	1,460,866	0	487,462
Trust land transfer ⁴	24,861,859	24,652,998	0	208,861
Land sales (includes land bank sales) ⁵	13,846	0	0	13,846
	<u>\$100,664,357</u>	<u>\$79,920,175</u>	<u>\$0</u>	<u>\$20,744,182</u>
Leases				
Agriculture				
Dryland	\$2,297,721	\$1,715,828	\$0	\$581,893
Irrigated	3,071,392	2,303,544	0	767,848
Grazing and other	562,311	421,735	0	140,576
Aquatic Lands	0	0	0	0
Special use	352,324	264,265	0	88,059
Commercial real estate	5,944,541	4,452,824	0	1,491,717
Mineral and hydrocarbon	1,157,085	13,225	854,589	289,271
Rights-of-way	283,097	25,008	187,329	70,760
Communication sites	1,054,700	772,153	0	282,547
Special forest products	221,027	165,770	0	55,257
	<u>\$14,944,197</u>	<u>\$10,134,352</u>	<u>\$1,041,918</u>	<u>\$3,767,928</u>
Other Revenue				
Interest income	\$1,402,964	\$122,610	\$12,167	\$1,268,187
Non-trust revenue	(785,196)	0	0	(785,196)
Operating transfer ⁹	(1,948,328)	0	0	(1,948,328)
Permits, fees, and miscellaneous ^{2,3}	83,850	1,415	0	82,435
	<u>(\$1,246,710)</u>	<u>\$124,025</u>	<u>\$12,167</u>	<u>(\$1,382,902)</u>
Total Revenue	<u>\$114,361,845</u>	<u>\$90,178,552</u>	<u>\$1,054,085</u>	<u>\$23,129,208</u>

See accompanying notes.

Totals may not add due to rounding.

University Trust, Original and Transferred

Beneficiary:

University of Washington. Seventy-two sections (46,080 acres) of federal land were granted to the territorial government for a university in 1854 and 1864. The 1893 state legislature transferred 100,000 acres from the Charitable, Educational, Penal and Reformatory Institutions (CEP&RI) Trust to the University of Washington.

[Source: State Enabling Act, 25 U. S. Statutes at Large, c 180 p 676, Sec. 14, 1889; Laws of 1893, chap 122]

Original acreage:

University Original Territorial Grant: 46,080 acres.

University Trust, Transferred: 100,000 acres.

Original land use pattern:

UNIVERSITY ORIGINAL: Approximately 43,000 acres were sold to timber companies in 1863-64; these companies selected prime forest lands in 14 counties, including 12,000 acres in both Kitsap and Jefferson counties.

UNIVERSITY TRANSFERRED: Granted acreage was selected from the unallocated federal land base according to procedures applicable at the time that the parcels were surveyed and approved. Acreage was allocated to the trust in 11 counties.

Current acreage:

University Trust, Original: 2,937 acres.

University Trust, Transferred: 83,785 acres.

Current land use pattern:

UNIVERSITY ORIGINAL: Small parcels located near Hood Canal.

UNIVERSITY TRANSFERRED lands include:

WESTERN WASHINGTON forest resources in

- *The Salmon Creek Block in Pacific County.*
- *The Lower Chehalis Forest in Grays Harbor County.*
- *The Naselle Block in Pacific County.*

Land characteristics:

515 total stream miles, 439 total road miles.

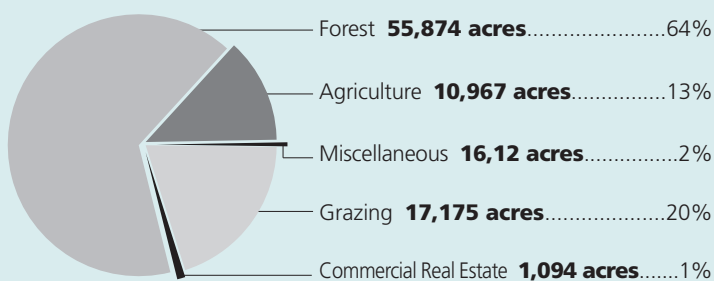
[Source: GIS 7/00]

Land management leases:

43 agricultural leases, 1 commercial lease, 46 grazing leases and permits.

[Source: AGRICULTURAL/GRAZING APS 7/00]

University Trusts Acres (Total Acres: 86,722)

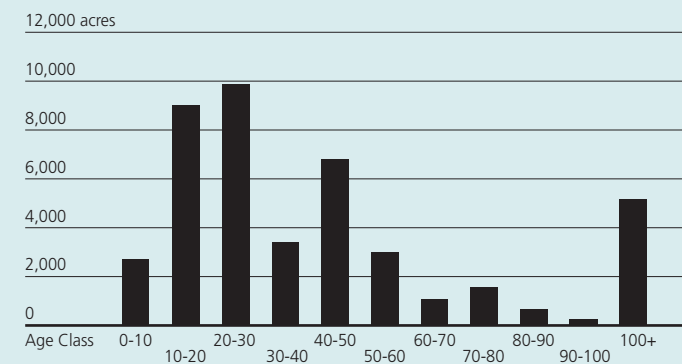


See OVERVIEW and Definitions, page 11

Source: GIS Land Use database, 7/00

University Trust Forest Lands

West-side Timber Age Distribution



The chart illustrates total harvestable (on base) forest land acreage above or below a stated age, located west of the Cascade crest; for example, by summing the columns, approximately 11,450 acres are below age 20 and 7,700 acres are above age 70. East-side timber lands are not categorized according to age because forests are composed of mixed-age stands.

Source: GIS timber inventory information includes Land Use Land Cover (LULC) data and Forest Resource Inventory Survey (FRIS) data. As of this report, approximately 80 percent of the age-class data are in the FRIS database and 20 percent are in the LULC database. Source: FRIS 7/00.

See OVERVIEW and Definitions, page 11

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University Grants (UW) Original and Transferred

The income from these state grant lands is used to support construction of buildings for the University of Washington. Some of these lands were acquired at

the time of statehood and some lands were transferred later to support this trust. The income is divided between two accounts: permanent and bond retirement.

Revenue and distribution	Total Funds	UW Bond Retirement	State (UW) University Permanent	Resource Management Cost Account
Sales				
Timber sales ¹²	\$1,005,046	\$0	\$232,464	\$772,582
Timber sales related activities ¹	1,870	0	1,342	528
Asset transfer/loan repayment ⁸	954,608	0	715,956	238,652
Land sales (includes land bank sales)	0	0	0	0
	<u>\$1,961,524</u>	<u>\$0</u>	<u>\$949,762</u>	<u>\$1,011,762</u>
Leases				
Agriculture				
Dryland	\$158,547	\$0	\$118,910	\$39,637
Irrigated	0	0	0	0
Grazing and other	16,033	0	12,025	4,008
Aquatic lands	0	0	0	0
Special use	18,226	0	13,669	4,557
Commercial real estate	27,400	0	20,550	6,850
Mineral and hydrocarbon	0	0	0	0
Rights-of-way	16,210	0	12,157	4,053
Communication sites	0	0	0	0
Special forest products	2,393	0	1,795	598
	<u>\$238,809</u>	<u>\$0</u>	<u>\$179,106</u>	<u>\$59,703</u>
Other Revenue				
Interest income	\$11,560	\$3,048	\$610	\$7,901
Non-trust revenue	(4,098)	0	0	(4,098)
Operating transfer ⁹	(954,608)	285,079	(285,079)	(954,608)
Permits, fees, and miscellaneous ^{2,3}	44	0	0	44
	<u>(\$947,102)</u>	<u>\$288,127</u>	<u>(\$284,469)</u>	<u>(\$950,760)</u>
Total Revenue	<u>\$1,253,231</u>	<u>\$288,127</u>	<u>\$844,399</u>	<u>\$120,705</u>

See accompanying notes.

Totals may not add due to rounding.

Charitable, Educational, Penal and Reformatory Institutions Trust (CEP&RI)

Beneficiaries:

State Department of Corrections and Department of Social and Health Services. The State Enabling Act granted "...for State charitable, educational, penal, and reformatory institutions, two hundred thousand acres...."

[SOURCE: STATE ENABLING ACT, 25 U.S. STATUTES AT LARGE, C 180 P 676; SEC. 16, 1889]

Original acreage: 200,000 acres.
By 1920, approximately 26,900 acres were sold.

Original land use pattern:
Granted acreage was selected from the unallocated federal land base, according to the procedures applicable at the time that the parcels were surveyed and approved. Original acreage was acquired in 20 counties.

Current acreage:
70,295 acres. The CEP&RI Trust lands today reflect the transfer by the legislature in March 1893 of 100,000 acres of original granted land to the University Trust to support that educational function.

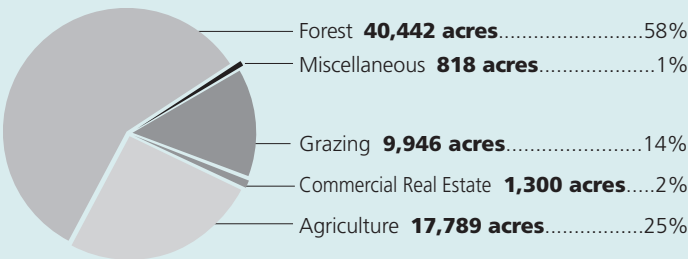
Current land use pattern:
Granted trust lands today include:
WESTERN WASHINGTON forest resources in
I The Elochoman Block in Wahkiakum County.
I The Elbe Block in Pierce County.

EASTERN WASHINGTON's blocked-up forest resources in
I The Glenwood Block northeast of Trout Lake in Yakima County.

Land characteristics:
395 total stream miles, 292 total road miles.
[Source: GIS 8/00]

Land management leases:
32 agricultural leases, 1 commercial leases, 17 communication site leases, 38 grazing leases and permits.
[Source: Agricultural/Grazing APS 8/00]

CEP&RI Trust Acres (Total Acres: 70,295)

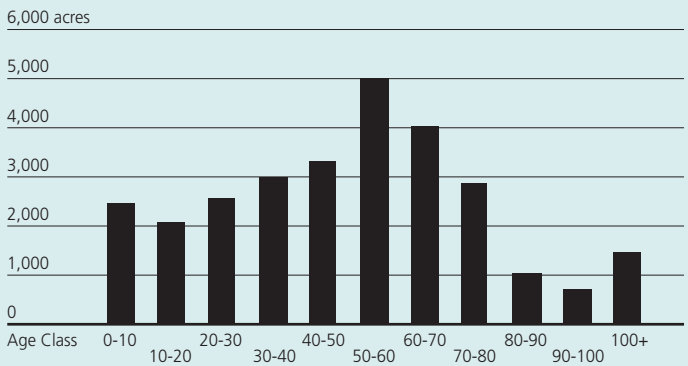


See OVERVIEW and Definitions, page 11

Source: GIS Land Use database, 7/00

CEP&RI Trust Forest Lands

West-side Timber Age Distribution



The chart illustrates total harvestable (on base) forest land acreage above or below a stated age, located west of the Cascade crest; for example, by summing the columns, approximately 4,500 acres are below age 20 and 5,800 acres are above age 70. East-side timber lands are not categorized according to age because forests are composed of mixed-age stands.

Source: GIS timber inventory information includes Land Use Land Cover (LULC) data and Forest Resource Inventory Survey (FRIS) data. As of this report, approximately 80 percent of the age-class data are in the FRIS database and 20 percent are in the LULC database. Source: FRIS 8/00.

See OVERVIEW and Definitions, page 11

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Charitable, Educational, Penal and Reformatory Institutions Grant (CEP&RI)

The income from these grant lands is used to establish and maintain institutions managed by the Department of Corrections

(such as prisons) and the Department of Social and Health Services (such as Western State Hospital).

Revenue and distribution	Total Funds	CEP&RI Account	Resource Management Cost Account
Sales			
Timber sales ¹²	\$5,904,529	\$4,428,397	\$1476,132
Timber sales related activities ¹	1,819	1,364	455
Asset transfer/loan repayment ⁸	0	0	0
Land sales (includes land bank sales) ⁵	0	0	0
	<u>\$5,906,348</u>	<u>\$4,429,761</u>	<u>\$1,476,587</u>
Leases			
Agriculture			
Dryland	\$216,755	\$162,566	\$54,189
Irrigated	0	0	0
Grazing and other	8,684	6,513	2,171
Aquatic lands	0	0	0
Special use	(4,519)	1,226	(5,745)
Commercial real estate	0	0	0
Mineral and hydrocarbon	883,271	662,453	220,818
Rights-of-way	29,623	22,217	7,406
Communication sites	122,581	91,486	31,095
Special forest products	4,875	3,656	1,219
	<u>\$1,261,270</u>	<u>\$950,117</u>	<u>\$311,153</u>
Other Revenue			
Interest income	\$95,599	\$6,110	\$89,488
Non-trust revenue	(62,280)	0	(62,280)
Operating transfer ⁹	0	0	0
Permits, fees, and miscellaneous ^{2,3}	19,605	0	19,605
	<u>\$52,924</u>	<u>\$6,110</u>	<u>\$46,814</u>
Total Revenue	<u>\$7,220,542</u>	<u>\$5,385,988</u>	<u>\$1,834,554</u>

See accompanying notes.

Totals may not add due to rounding.

Capitol Building Trust

Beneficiaries:

State Enabling Act granted 50 sections of unappropriated public lands "...for the purpose of erecting public buildings at the capital of said States for legislative, executive, and judicial purposes... (Sec 12)... FOR public buildings at the State capital, in addition to the grant hereinbefore made for that purpose, one hundred thousand acres..." (Sec 17). These provisions were amended in 1957 to include construction, reconstruction, repair, renovation, furnishings, equipment, or other permanent improvements of public buildings at the capital.

[SOURCE: STATE ENABLING ACT, 25 U.S. STATUTES AT LARGE, C 180 P 676; SEC. 12, 17, 1889]

Original acreage:

132,000 acres. By 1920, 24,500 acres were sold. No acreage was sold after 1920.

Original land use pattern:

Granted acreage was selected from the unallocated federal land base, according to the procedures applicable at the time that the parcels were surveyed and approved. Original acreage was acquired in 17 counties.

Current acreage: 108,064 acres.

Current land use pattern:

Granted trust lands today include:

WESTERN WASHINGTON forest resources in

- *The Clallam River Block on Clallam Bay.*
- *The P&E Ridge Block in Pacific County.*
- *The Elochoman Block in Wahkiakum County.*
- *The Markworth Block east of Redmond.*

EASTERN WASHINGTON contiguous agricultural holdings north of Ephrata in Douglas County and forest lands in Stevens County.

Land characteristics:

957 total stream miles, 504 total road miles.

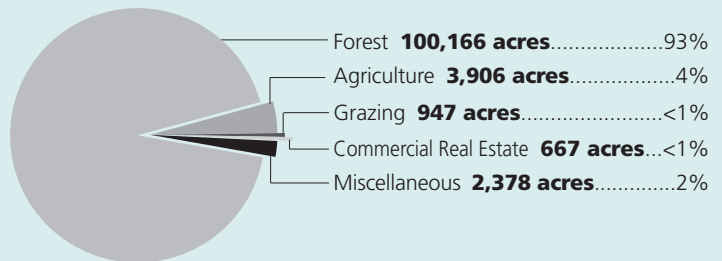
[Source: GIS 7/00]

Land management leases:

14 agricultural leases, 1 commercial lease, 21 communication site leases, 2 gravel and rock contracts, 17 grazing leases and permits.

[SOURCE: AGRICULTURAL/GRAZING APS 7/00]

Capitol Building Trust Acres (Total Acres: 108,064)

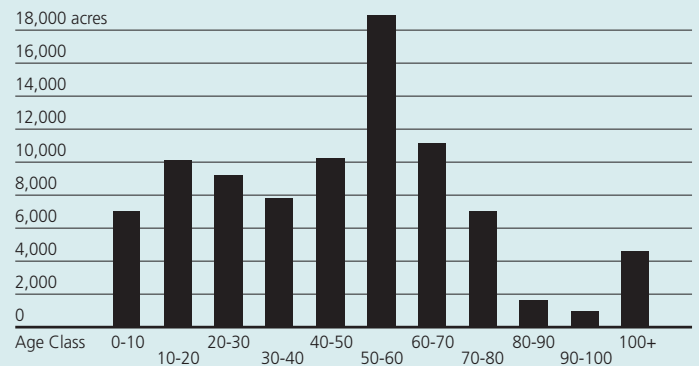


See OVERVIEW and Definitions, page 11

Source: GIS Land Use database, 7/00

Capitol Building Trust Forest Lands

West-side Timber Age Distribution



The chart illustrates total harvestable (on base) forest land acreage above or below a stated age, located west of the Cascade crest; for example, by summing the columns, approximately 14,900 acres are below age 20 and 14,125 acres are above age 70. East-side timber lands are not categorized according to age because forests are composed of mixed-age stands.

Source: GIS timber inventory information includes Land Use Land Cover (LULC) data and Forest Resource Inventory Survey (FRIS) data. As of this report, approximately 80 percent of the age-class data are in the FRIS database and 20 percent are in the LULC database. Source: FRIS 7/00.

See OVERVIEW and Definitions, page 11

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Capitol Building Grant

The income from these grant lands is used to support construction of state government office buildings at the Capitol Campus in Olympia.

Revenue and distribution	Total Funds	Capitol Building Construction	Resource Management Cost Account
Sales			
Timber sales ¹²	\$11,040,109	\$7,675,303	\$3,364,806
Timber sales related activities ¹	8,622	6,467	2,155
Asset transfer/loan repayment ⁸	742,848	556,882	185,966
Land sales (includes land bank sales) ⁵	0	0	0
	\$11,791,579	\$8,238,652	\$3,552,927
Leases			
Agriculture			
Dryland	\$55,316	\$41,487	\$13,829
Irrigated	0	0	0
Grazing and other	2,453	1,840	613
Aquatic lands	0	0	0
Special use	16,049	12,037	4,012
Commercial real estate	1,047	785	262
Mineral and hydrocarbon	29,276	21,957	7,319
Rights-of-way	13,132	9,849	3,283
Communication sites	34,197	25,200	8,997
Special forest products	9,167	6,875	2,292
	\$160,637	\$120,030	\$40,607
Other Revenue			
Interest income	\$151,336	\$8,751	\$142,586
Non-trust revenue	(98,299)	0	(98,299)
Operating transfer ⁹	(749,136)	0	(749,136)
Permits, fees, and miscellaneous ^{2,3}	8,046	1,187	6,859
	(\$688,052)	\$9,938	(\$697,990)
Total Revenue	\$11,264,164	\$8,368,620	\$2,895,544

See accompanying notes.

Totals may not add due to rounding.

Normal School Trust

Beneficiaries:

Eastern, Central, and Western Washington universities and The Evergreen State College. The State Enabling Act granted "...for State normal schools, one hundred thousand acres..." of federal lands; normal schools were established at Cheney, Bellingham, and Ellensburg, originally for educating teachers. The Evergreen State College was included in the Normal School Trust by the Legislature in 1993.

[SOURCE: STATE ENABLING ACT, 25 U.S. STATUTES AT LARGE, C 180 P 676; SEC. 17, 1889; RCW 28B.35.751, 28B.35.751, 1993]

Original acreage:

100,000 acres. By 1920, 28,000 acres were sold; 7,700 acres sold or disposed of since 1950.

Original land use pattern:

Granted acreage was selected from the unallocated federal land base, according to the procedures applicable at the time that the parcels were surveyed and approved. Original acreage was acquired in 13 counties.

Current acreage: 64,330 acres.

Current land use pattern:

Granted trust lands today include:

WESTERN WASHINGTON forest resources in

- *The Siouxxon Block in Cowlitz and Clark counties.*
- *The Toutle Block in Cowlitz County.*
- *The Hoh-Clearwater State Forest in the Olympic Experimental Forest near Forks.*
- *The Lower Chehalis State Forest, and forest lands north and south of the Queets River in the Olympic Experimental State Forest .*

EASTERN WASHINGTON forest resources in the Little Pend Oreille River Block.

Land characteristics:

482 total stream miles, 376 total road miles.

[Source: GIS 7/00]

Land management leases:

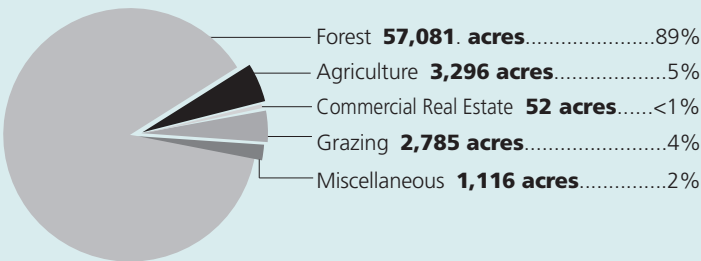
12 agricultural leases, 15 grazing leases and permits.

[Source: Agricultural/Grazing APS 7/00]



Eastern Washington University, Kingston Hall.

Normal School Trusts Acres (Total Acres: **64,330**)

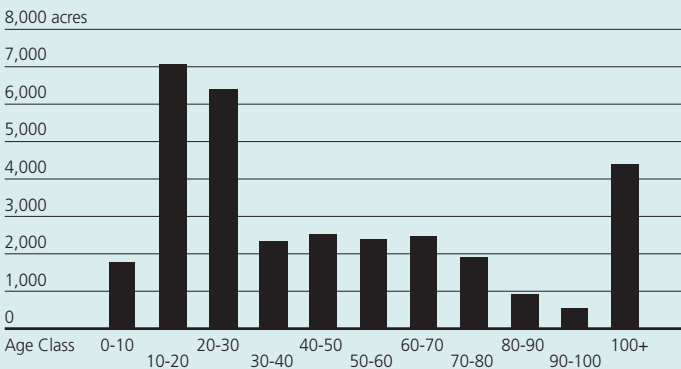


See OVERVIEW and Definitions, page 11

Source: GIS Land Use database, 7/00

Normal School Trust Forest Lands

West-side Timber Age Distribution



The chart illustrates total harvestable (on base) forest land acreage above or below a stated age, located west of the Cascade crest; for example, by summing the columns, approximately 9,000 acres are below age 20 and 7,775 acres are above age 70. East-side timber lands are not categorized according to age because forests are composed of mixed-age stands.

Source: GIS timber inventory information includes Land Use Land Cover (LULC) data and Forest Resource Inventory Survey (FRIS) data. As of this report, approximately 80 percent of the age-class data are in the FRIS database and 20 percent are in the LULC database. Source: FRIS 7/00.

See OVERVIEW and Definitions, page 11

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Normal School Grant (EWU, CWU, WWU, and TESC)

The income from these grant lands is used to support construction at Eastern Washington University, Central Washington University and Western Washington University (regional universities).

These three universities were originally called "normal" schools or "teachers' colleges." The Evergreen State College (TESC) was added by the legislature to begin receiving

revenue after July 1, 1995. The income is divided among permanent and bond retirement accounts for each regional university.

Revenue and distribution	Total Funds	EWU, CWU WWU, TESC Capital Projects	Normal School Permanent	Resource Management Cost Account
Sales				
Timber sales ¹²	\$7,398,224	\$0	\$3,614,389	\$3,783,835
Timber sales related activities ¹	5,624	0	47	5,577
Asset transfer/loan repayment ⁸	2,375,997	0	1,782,631	593,366
Land sales (includes land bank sales) ⁵	0	0	0	0
	<u>\$9,779,845</u>	<u>\$0</u>	<u>\$5,397,067</u>	<u>\$4,382,778</u>
Leases				
Agriculture				
Dryland	\$36,579	\$27,434	\$0	\$9,145
Irrigated	9,632	7,224	0	2,408
Grazing and other	3,850	2,887	0	963
Aquatic lands	0	0	0	0
Special use	2,979	2,263	0	716
Commercial real estate	0	0	0	0
Mineral and hydrocarbon	0	0	0	0
Rights-of-way	495	0	371	124
Communication sites	0	0	0	0
Special forest products	20,083	15,063	0	5,020
	<u>\$73,618</u>	<u>\$54,871</u>	<u>\$371</u>	<u>\$18,376</u>
Other Revenue				
Interest income	\$110,713	\$8,631	\$0	\$102,083
Non-trust revenue	(69,845)	0	0	(69,845)
Operating transfer ⁹	(2,375,997)	0	0	(2,375,997)
Permits, fees, and miscellaneous ^{2,3}	0	0	0	0
	<u>(\$2,335,129)</u>	<u>\$8,631</u>	<u>\$0</u>	<u>(\$2,343,759)</u>
Total Revenue	<u>\$7,518,334</u>	<u>\$63,502</u>	<u>\$5,397,438</u>	<u>\$2,057,394</u>

See accompanying notes.

Totals may not add due to rounding.

Scientific School Trust

Beneficiary:

Washington State University. Federal land was granted to the state "...for the establishment and maintenance of a scientific school..." [SOURCE: STATE ENABLING ACT, 25 U.S. STATUTES AT LARGE, C 180 P 676; SEC. 17, 1889].

Original acreage: 100,000 acres.

Original land use pattern:

Granted acreage was selected from the unallocated federal land base according to the procedures applicable at the time the parcels were surveyed and approved. Original acreage was allocated in 19 counties.

Current acreage:

80,434 acres. No acreage sold after 1920.

Current land use pattern:

The granted trust lands today include:

WESTERN WASHINGTON forest resources in

- ! The Elochoman Block of Wahkiakum County.
- ! The Siouxon Block in Skamania County.
- ! The Toutle Block in Cowlitz County.

Land characteristics:

677 total stream miles, 392 total road miles.

[Source: GIS 7/00]

Land management leases:

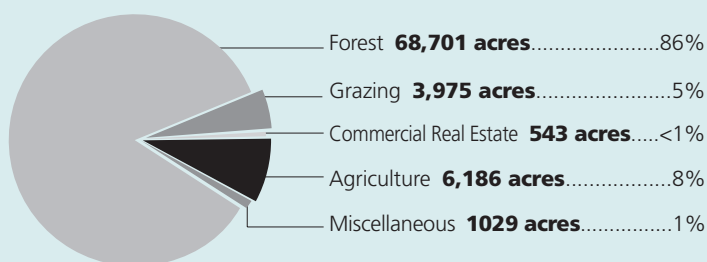
18 agricultural leases, 16 grazing leases and permits.

[SOURCE: AGRICULTURAL/GRAZING APS 7/00]



Washington State University, Community Hall.

Scientific School Trusts Acres (Total Acres: 80,434)

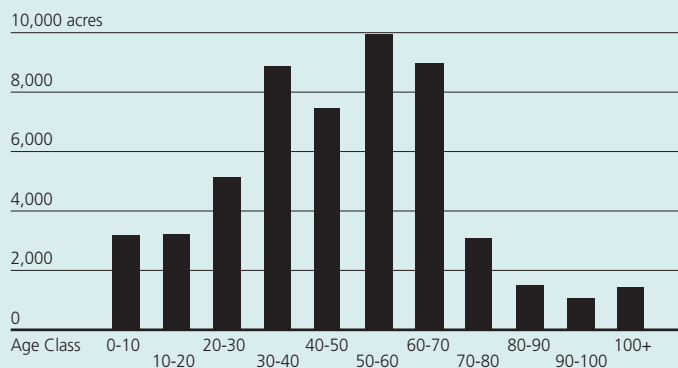


See OVERVIEW and Definitions, page 11

Source: GIS Land Use database, 7/00

Scientific School Trust Forest Lands

West-side Timber Age Distribution



The chart illustrates total harvestable (on base) forest land acreage above or below a stated age, located west of the Cascade crest; for example, by summing the columns, approximately 6,500 acres are below age 20 and 7,000 acres are above age 70. East-side timber lands are not categorized according to age because forests are composed of mixed-age stands.

Source: GIS timber inventory information includes Land Use Land Cover (LULC) data and Forest Resource Inventory Survey (FRIS) data. As of this report, approximately 80 percent of the age-class data are in the FRIS database and 20 percent are in the LULC database. Source: FRIS 7/00.

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Scientific School Grant (WSU)

The beneficiary is the same as the agriculture school grant. The income from these grant lands is used to support construction of buildings at Washington State University. The income is divided between two accounts: permanent and bond retirement.

Revenue and distribution	Total Funds	WSU Bond Retirement	Scientific Permanent	Resource Management Cost Account
Sales				
Timber sales ¹²	\$6,951,155	\$0	\$5,211,762	\$1,739,393
Timber sales related activities ¹	2,469	0	1,852	617
Asset transfer/loan repayment ⁸	0	0	0	0
Land sales (includes land bank sales) ⁵	0	0	0	0
	<u>\$6,953,624</u>	<u>\$0</u>	<u>\$5,213,614</u>	<u>\$1,740,010</u>
Leases				
Agriculture				
Dryland	\$92,555	\$0	\$69,416	\$23,139
Irrigated	9,793	0	7,345	2,448
Grazing and other	693	0	520	173
Aquatic lands	0	0	0	0
Special use	11,263	0	8,447	2,816
Commercial real estate	0	0	0	0
Mineral and hydrocarbon	5,000	0	3,750	1,250
Rights-of-way	3,189	0	2,392	797
Communication sites	272,456	0	204,342	68,114
Special forest products	9,373	0	7,030	2,343
	<u>\$404,322</u>	<u>\$0</u>	<u>\$303,242</u>	<u>\$101,080</u>
Other Revenue				
Interest income	\$99,819	\$7,418	\$271	\$92,130
Non-trust revenue	(63,480)	0	0	(63,480)
Operating transfer ⁹	0	299,485	(299,485)	0
Permits, fees, and miscellaneous ^{2,3}	165	0	0	165
	<u>\$36,504</u>	<u>\$306,903</u>	<u>(\$299,214)</u>	<u>\$28,815</u>
Total Revenue	<u>\$7,394,450</u>	<u>\$306,903</u>	<u>\$5,217,642</u>	<u>\$1,869,905</u>

See accompanying notes.

Totals may not add due to rounding.

State Aquatic lands

Beneficiaries:

Washington state residents and visitors.
[SOURCE: I The Equal Footing Doctrine, dating from early colonial practices, reserved the aquatic lands in each new state for state ownership, just as the original 13 states received. Therefore, all states of the Union were treated equally as to these lands; I The Washington Constitution, Article xvii, section 1, declares state ownership of shorelands, tidelands, and bedlands, consistent with the Equal Footing Doctrine, and I The common law Public Trust Doctrine, defined by court decisions, provides that state ownership of aquatic lands includes the public's right to use those lands and navigate the state's aquatic lands.]

Original acreage: Unknown.

Current acreage:

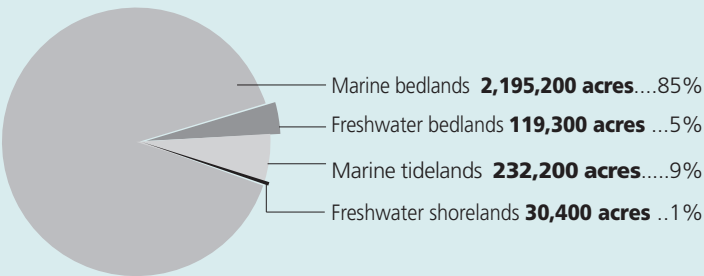
2.6 million acres of freshwater shorelands, saltwater tidelands, and beds of navigable lakes, streams, and salt waters. Approximately 300,000 acres of shorelands and tidelands were sold, from 1907 to 1970. Submerged bedlands cannot be sold.

Original land use pattern:

All of the state's navigable waters — including beds of marine waters (tidelands and bedlands), navigable lakes and rivers (shorelands and bedlands), aquatic-dependent plants and animals, and other commodities associated with the waters or submerged lands. The state constitution nullified any territorial-granted property rights and claims to the state's navigable waters, protecting navigation and preventing monopolistic control of critical harbor areas.

Federal treaties with Native American tribes that applied to aquatic lands and resources remained in effect under state ownership. Treaties reserved the right to harvest fish and shellfish.

State-Owned Aquatic Lands Acres (Public Trust)



See OVERVIEW and Definitions, page 11

Source: GIS Land Use database, 7/00

Water-dependent Aquatic leases

Marina/Moorage	420
Dock/Buoys	246
Recreation	233
Aquaculture	253
Transportation/Shipping	173
Miscellaneous	169

Non-water dependent Aquatic leases

Log storage	86
Outfalls	252
Miscellaneous	229

Source: Asset Performance System, 7/00

Current land use pattern:

State ownership ensures public recreational, navigational, and commercial access to the waters. DNR manages state aquatic lands under state statutes that provide management priorities that encourage direct public use and access; foster water-dependent uses; ensure environmental protection; utilize renewable resources and generate income in a manner consistent with these priorities.

Aquatic lands revenue is reinvested to keep aquatic lands healthy, and to pay for local projects that improve public access to public waters. Since 1984, DNR has distributed approximately \$31 million from the Aquatic Lands Enhancement Account to pay for more than 180 local projects statewide.

NOTE: The information on this page is derived from DNR's Asset Performance System (APS), July 2000. Changes in ownership due to transactions are entered into the financial accounting system immediately; completing the documentation and updating APS records takes an additional two to six months. Therefore, due to timing differences, specific acreage numbers differ between the financial system (2000 Annual Report) and the APS records. Deloitte & Touche acreage figures may vary due to date (June 1995), changing uses and differences in asset class.
Note: Miscellaneous includes aquatic rights-of-entry and interagency agreements.

Aquatic Resources

Aquatic Resources are considered a "public trust." A portion of the income generated from the state's aquatic (submerged) lands is used to support DNR's aquatic resources management activities through Resource Management Cost Account (RMCA) appropriations. The remainder is deposited with the Aquatic Lands Enhancement Account, which is distributed as grants to public entities for public access projects to aquatic lands, and fish and wildlife cooperative grants.

Revenue and distribution	Total Funds	Aquatic Lands Enhancement ⁷	Resource Management Cost Account
Aquatic Resources Activities			
Leases	\$16,502,420	\$9,490,238	\$7,012,182
Interest income	471,639	18,506	453,133
Non-trust revenue	(277,979)	(30,904)	(247,075)
Miscellaneous	76,169	16,408	59,761
Total Revenue	<u>\$16,772,248</u>	<u>\$9,494,248</u>	<u>\$7,278,001</u>

RMCA revenue, expenditures, and trust balance

Trust Balance (July 1, 1999)	\$7,977,199
RMCA Revenue	\$7,278,002
Less: Expenditures ¹	
Aquatic resources	\$3,933,514
Administration	225,558
Interagency payments	296,492
Agency support	1,095,393
<u>Salary/insurance/health revolving fund</u>	<u>(211,316)</u>
Total expenditures	5,339,642
Less transfer to Salmon Recovery Account:	<u>2,950,000</u>
Trust Balance (June 30, 2000)	<u>\$6,965,559</u>

See accompanying notes.
Totals may not add due to rounding.

Forest Development Account (FDA)

This fund's income comes from Forest Board Lands managed by the state for 21 counties. The legislature appropriates amounts

to the Department of Natural Resources biennially from this fund for land management expenses.

Revenue, expenditures, and fund balance

Fund Balance (July 1, 1999)		\$36,627,608
FDA Revenue		25,022,668
Less: Expenditures ¹		
Agricultural resources	\$5,048	
Business systems support and planning	2,658,905	
Land and resources	10,886,962	
Special employment services	980,715	
Administration	559,393	
Interagency payments	1,138,257	
Agency support	4,291,652	
Engineering services	325,578	
Salary/insurance/health revolving fund	(824,061)	
Total operating expenditures	\$20,022,449	
Total capital expenditures	263,247	
Total expenditures and other charges		20,285,696
Less FDA county transfers		10,000,000
FDA Fund Balance (June 30, 2000)		<u>\$31,364,580</u>

See accompanying notes.

Totals may not add due to rounding.

Forest Board Transfer Trust and Forest Board Purchase Lands

Beneficiaries:

This is one trust with multiple beneficiaries: 21 counties with Forest Board lands. Revenues from timber sales help support county services through junior taxing districts, and benefit the state general fund. The legislature established the Forest Board Transfer Trust in 1921. The Forest Board Purchase Lands were authorized by the legislature in 1923.

[SOURCE: RCW CH. 76.12]

Original acreage:

Transfer Trust: 539,173 acres. Purchase Lands: 79,400 acres.

Current acreage:

Transfer Trust: 546,410 acres. Purchase Lands: 79,382 acres.

The acreage total can vary due to land exchanges and reconveyances for park purposes. Lands may not be sold.

Original land use pattern:

Transfer Trust lands were logged off, west-side forest lands that were on county tax foreclosure inventories. The lands produced no tax revenues and required fire protection. They were transferred to the state for reforestation, management, and protection from fires. Purchase Lands were logged-off or burned-off forest lands bought by the state, beginning in the 1920s, to maintain long-term productivity of timber resource lands.

Current land use pattern:

Transfer Trust lands include:

WESTERN WASHINGTON forest resources in

- *The Willapa Block in Pacific County.*
- *The Clallam Block on Clallam Bay, Marckworth State Forest east of Redmond.*
- *Tahoma State Forest in Lewis County.*

Purchase Lands include:

Western Washington timberland acres in

- *The Capitol State Forest in Thurston/Grays Harbor counties.*
- *The P&E Ridge Block in Pacific County.*
- *The Siouxon Block in Cowlitz County.*

Land characteristics:

5,093 total stream miles, 3,170 total road miles.

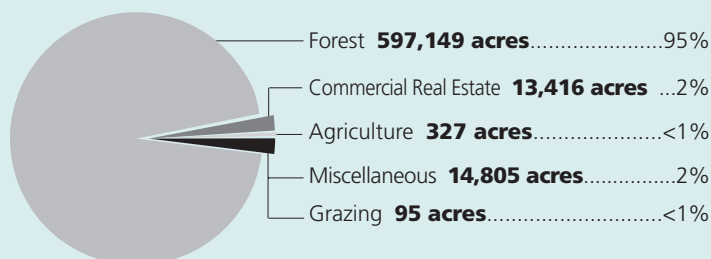
[SOURCE: GIS 8/00]

Forest Board land management leases:

3 agricultural leases, 1 commercial lease, 164 communication leases, 10 gravel and rock contracts, 13 grazing leases and permits.

[Source: Agricultural/Grazing APS 8/00]

Forest Board Trusts Acres (Total acres: 625,792)

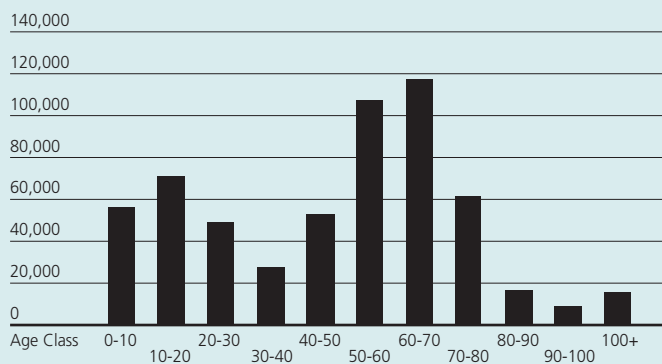


See OVERVIEW and Definitions, page 11

Source: GIS Land Use database, 7/00

Forest Board Trust Forest Lands

West-side Timber Age Distribution



The chart illustrates total harvestable (on base) forest land acreage above or below a stated age, located west of the Cascade crest; for example, by summing the columns, approximately 125,300 acres are below age 20 and 100,950 acres are above age 70. East-side timber lands are not categorized according to age because forests are composed of mixed-age stands.

Source: GIS timber inventory information includes Land Use Land Cover (LULC) data and Forest Resource Inventory Survey (FRIS) data. As of this report, approximately 80 percent of the age-class data are in the FRIS database and 20 percent are in the LULC database. Source: FRIS 7/00.

See OVERVIEW and Definitions, page 11

NOTE: The information on this page is from DNR's Annual Report for fiscal year 2000 and Geographic Information System (GIS) of July 2000, except as noted. The annual report provides financial and acreage figures as of June 30, 2000. The GIS records land-based information. Changes in ownership due to transactions are entered into the financial accounting system immediately; completing the documentation and updating GIS takes two to six months. Therefore, due to timing differences, specific trust acreage numbers differ between the financial system (2000 Annual Report) and GIS. The Deloitte & Touche report, June 1997, includes sub-surface "mineral rights only" acreage in the total acreage while this report and GIS do not include those acres in the totals. The Forest Board lands have 27,025 acres of sub-surface "mineral rights only" lands, where the state does not own the surface land. Asset Performance System (APS) records property management data.

Forest Board Lands

The income from this trust is distributed to counties and the state general fund for the support of common schools. The state's share for management expenses is deposited in the Forest Development Account (FDA).

These lands are divided into two categories: Forest Board Purchase lands and Forest Board Transfer lands.

Forest Board Purchase lands were given to the state or

purchased by the state at low cost. The FDA receives half the income for DNR's management expenses. Half is divided between the respective county and the state's general fund for the support of common schools.

Revenue by source	Total	Forest Board Transfer	Forest Board Purchase
Sales			
Timber sales ¹²	\$107,910,557	\$91,834,911	\$16,075,646
Timber sales related activities ¹	299,526	299,295	231
	<u>\$108,210,083</u>	<u>\$92,134,206</u>	<u>\$16,075,877</u>
Leases			
Agriculture/special forest products	\$144,490	\$126,232	\$18,258
Commercial/special use	40,958	32,402	8,556
Minerals and hydrocarbon	9,709	9,709	0
Rights-of-way	93,735	93,085	650
Communication sites	896,506	501,229	395,277
	<u>\$1,165,980</u>	<u>\$743,239</u>	<u>\$422,741</u>
Other Revenue			
Interest income	\$6,380	\$1,759	\$4,621
Permits, fees, and miscellaneous ^{2,3}	31,702	31,702	0
Treasurer's revenue	145,879	N/A	N/A
FDA non-trust revenue	(782,917)	N/A	N/A
	<u>(\$598,957)</u>	<u>\$33,461</u>	<u>(\$4,621)</u>
Total Revenue	<u>\$108,777,106</u>	<u>\$92,910,906</u>	<u>\$16,503,239</u>

See accompanying notes.

N/A—not applicable.

Totals may not add due to rounding.

Forest Board Transfer lands were forfeited to the counties in which they were located when the private landowners failed to pay property taxes, primarily in the 1920s and 1930s. The counties turned the lands over to

the state. DNR now manages these lands and distributes 75 percent of the income to the counties. The FDA receives up to 25 percent of the income. (In February 1997, the Board of Natural Resources adopted

resolution #97-919, changing the distribution of revenue from these lands effective July 1, 1997. The amount distributed to the counties increased to 78 percent; the amount distributed to the FDA was reduced to 22 percent.

This change will remain in effect until the fund balance in FDA reaches an amount equal to operating expenses for six months, at which time DNR is authorized to reinstate the original revenue distribution amounts.)

Revenue and distribution	Total	Forest Board Transfer	Forest Board Purchase
County			
Clallam	\$7,026,568	\$7,026,566	\$2
Clark	3,950,692	3,738,244	212,448
Cowlitz	3,277,264	3,275,688	1,576
Grays Harbor	2,707,552	159	2,707,393
Jefferson	1,343,342	1,343,342	0
King	2,631,405	2,631,405	0
Kitsap	259,423	234,906	24,517
Kittitas	0	0	0
Klickitat	1,112,085	1,112,085	0
Lewis	12,483,868	12,472,185	11,683
Mason	2,634,340	2,634,340	0
Okanogan	29	29	0
Pacific	3,653,792	3,021,262	632,530
Pierce	543,263	537,035	6,228
Skagit	10,907,512	10,907,512	0
Skamania	1,829,207	1,750,778	78,429
Snohomish	13,258,131	13,258,131	0
Stevens	33,169	33,169	0
Thurston	6,741,229	4,208,243	2,532,986
Wahkiakum	1,759,907	1,759,907	0
Whatcom	2,512,117	2,496,602	15,515
Treasurer's revenue	111,029	N/A	N/A
	<u>\$78,775,924</u>	<u>\$72,441,588</u>	<u>\$6,223,307</u>
Forest Development Account			
Trust activity	\$25,741,428	\$20,440,016	\$5,301,412
Permits, fees, and miscellaneous ^{2,3}	29,302	29,302	0
Treasurer's revenue	34,850	N/A	N/A
FDA non-trust revenue	(782,917)	N/A	N/A
	<u>\$25,022,663</u>	<u>\$20,469,318</u>	<u>\$5,301,412</u>
General Fund	<u>\$4,978,520</u>	<u>\$0</u>	<u>\$4,978,520</u>
Total Revenue	<u>\$108,777,106</u>	<u>\$92,910,906</u>	<u>\$16,503,239</u>

See accompanying notes.

N/A—not applicable.

Totals may not add due to rounding.

Community and Technical College Forest Reserve

Beneficiaries:

Community colleges and technical colleges. The legislature adopted RCW 76.12.240 in 1990 establishing the Community and Technical College Forest Reserve.

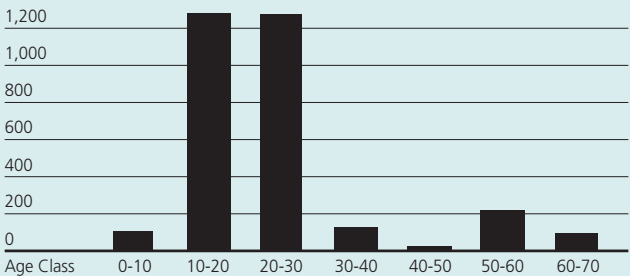
Original/Current acreage: 3,312 acres / 3,339 acres.

Current land use pattern:

The land is a contiguous block of forest land in Snohomish County.

Community College Trust Forest Lands

West-side Timber Age Distribution



The chart illustrates total harvestable (on base) forest land acreage above or below a stated age, located west of the Cascade crest; for example, by summing the columns, approximately 1,500 acres are below age 20. East-side timber lands are not categorized according to age because forests are composed of mixed-age stands.

Source: GIS timber inventory information includes Land Use Land Cover (LULC) data and Forest Resource Inventory Survey (FRIS) data. As of this report, approximately 80 percent of the age-class data are in the FRIS database and 20 percent are in the LULC database. *Source: FRIS 8/00.*

See OVERVIEW and Definitions, page 11

Acreage class:

Forest Resources represents 100 percent of the acres.

Land characteristics:

19 total stream miles, 30 total road miles.

[Source: GIS 8/00]

NOTE: The information on this page is from DNR's Annual Report for fiscal year 2000 and Geographic Information System (GIS) of July 2000, except as noted. The annual report provides financial and acreage figures as of June 30, 2000. The GIS records land-based information. Changes in ownership due to transactions are entered into the financial accounting system immediately; completing the documentation and updating GIS takes two to six months. Therefore, due to timing differences, specific trust acreage numbers differ between the financial system (2000 Annual Report) and GIS. The Deloitte & Touche report, June 1997, includes sub-surface "mineral rights only" acreage in the total acreage while this report and GIS do not include those acres in the totals. The Community College Trust has no mineral acres. Asset Performance System (APS) records property management data.

During the 1990 session, the legislature created the Community College Forest Reserve Trust by allocating state general funds to establish a long-term funding source. The legislature created the trust as an endowment to generate revenue for the beneficiaries and to provide forest lands to serve as educational resources.

DNR purchased property in Snohomish County that was heavily harvested during the 1970s and 1980s. The 2000 Annual Report for this trust does not include fiscal information pages because these lands are generating minimal revenues at this time. Fiscal year 2000 revenue was approximately \$1,700 for right-of-way transactions.

In 1996, the legislature added the technical colleges as beneficiaries, and the trust became the Community and Technical College Forest Reserve.

Fiscal Notes

1 REVENUE/EXPENDITURE CATEGORIES

Timber sales related activities include contract extensions, slash disposal, trespasses, and default settlement payments.

Miscellaneous sales include publications, GIS data, honor camp activities, and surveys and maps. Miscellaneous leases include special use, rights-of-way, and special forest products.

Agency support activities include the following programs: Employee Services (personnel, safety, training), Financial Management (budget, accounting), Information Technology, Geographic Information Systems, Facilities and Region Administration. Administration includes Executive Management, Internal Audit, Community Relations, and Investigative Services. Interagency payments are payments made to other state agencies such as the Attorney General, State Auditor, General Administration, and Labor and Industries.

2 PERMITS, FEES, AND RELATED CHARGES

Permits, fees, and related charges include: surface mining permits, log patrol licenses, aquatic lands dredged material disposal site fees, forest practices damage assessments and permits, survey records recording fee, application/assignment fees, burning permit fees, and local government assessments.

3 MISCELLANEOUS OTHER REVENUE

Includes: Prior period adjustments and recoveries of prior biennium expenditures, as well as revenue from the off-road vehicle, Natural Resources Conservation Areas stewardship, and industrial insurance premium refund accounts.

4 REAL PROPERTY REPLACEMENT

During fiscal year 2000 a total of \$12,793,796, equivalent to the property value, only was received from (1) transfers to other government entities or to a non-trust status (i.e. natural area preserve), (2) resolution of trespass violations, or (3) transfers in lieu of condemnation. This amount includes interest earnings. This money is used to acquire replacement trust lands. Included in this amount was \$3,271,573 of property value resulting from the Loomis State Forest transfer from trust to conservation status.

5 LAND BANK

The land bank program is used by the department to reposition trust land assets. Legislative intent is for revenues from property sales to equal or exceed the cost of purchases. However, during any one fiscal year the transactions may not balance. Land bank transactions are accounted for by trust within each of the department's management funds. For the Forest Development Account this is the Forest Board Transfer Trust and for the Resource Management Cost Account this is the Common School trust.

Revenues from current period sales and existing contracts were \$0 to the Forest Development Account and \$13,846 to the Resource Management Cost Account.

6 OFF-ROAD VEHICLE ACCOUNT

This fund provides for acquisition, planning, development, maintenance, and management of off-road vehicle trails and areas; education and law enforcement programs related to non-highway vehicles; and construction and maintenance of campgrounds and trail heads. The Department of Natural Resources, the Department of Fish and Wildlife, and the Parks and Recreation Commission spend from the fund in support of these functions. Although DNR administers this fund, it receives no revenue and only the DNR fiscal activity is reported on the Department Administered Funds section of the annual report. The deficit revenue in that section of the annual report is the transfer of revenue to fund 406 (salary and insurance increase revolving fund). The following is the fund total fiscal activity for fiscal year 2000:

Beginning Balance		\$1,024,000
Revenue:		
Licensing	\$2,052,526	
Revenue subtotal		2,052,526
Expenditures:		
Natural Resources	\$1,616,878	
Parks and Recreation	122,782	
Fish and Wildlife	321,151	
Expenditure subtotal		2,060,810
Operating Transfers		(69,575)
Net Fiscal Activity		(77,859)
Ending Balance		\$946,141